Maryl
SF
33
.U6M3
19-8

Maryland
SF
33
.U6M3
19
8

UNIVERSITY OF MARYLAND LIBRARY

NINTH ANNUAL REPORT

OF THE

Maryland Racing Commission

TO

THE GOVERNOR OF MARYLAND

1928

LIBRARY—COLLEGE PARK

NINTH ANNUAL REPORT

OF THE

Maryland Racing Commission

TO

THE GOVERNOR OF MARYLAND

1928

MARYLAND RACING COMMISSION

BOARD

JAMES A. LATANE, *Chairman*
JERVIS SPENCER, Jr.
JOHN F. MUDD

STAFF

JAMES F. HAYWARD	Secretary
MRS. WM. CHESNUT	Stenographer
CARLOS M. DE GARMENDIA	Judge-at-Large
JOHN E. CHARSHEE	Auditor
DOUGLAS C. TURNBULL	General Inspector
THOMAS A. BERNEY	Inspector
JOHN P. NIXON	Inspector
R. E. BIGGS	Inspector

NINTH ANNUAL REPORT

OF THE

MARYLAND RACING COMMISSION

To His Excellency, Albert C. Ritchie,
Governor of Maryland.

The Maryland Racing Commission respectfully submits herewith its Annual Report for the Year 1928.

The fall racing season was brought to a close November 29, and as will be seen from the accompanying data, three of the four racing associations licensed by the Commission conducted successful meetings. Owing to unfavorable weather conditions, both spring and fall, Havre de Grace did not make as good a showing as usual. The quality of the year's racing was good, and the excellent attendance at the meetings attests the popularity of the sport.

Under the policy adopted by the Commission, all of the racing associations have from time to time made extensive improvements in their plants, and with the erection during the past summer of a completely new grandstand and club house at Laurel, the present year marks the high point in the progress of the Maryland tracks toward better and more adequate equipment and facilities.

The yearly net revenue of each association is subject to the State tax of 15 per cent. In calculating this net revenue the Commission has placed a limit on the amount which may be spent for certain items, such as salaries of executive officers, etc., and where this limit has been exceeded the Commission has not only disallowed the excess in computing said tax, but has reduced the amount allowed for dividends by the amount of such excess.

The accompanying report of the audit made of the books of each association will show these matters in detail, and sets forth fully the year's transactions.

Respectfully submitted,

Jas. A. Latane, *Chairman,*
Jervis Spencer, Jr.,
John F. Mudd.

STATEMENT OF MARYLAND RACING COMMISSION
(For Year 1928)

RECEIPTS

County Fairs, 45 days racing at $50 per day		$2,250.00
Harford Agricultural and Breeders' Association:		
23 days racing at $6,000 per day	$138,000.00	
15 per cent of net revenue	36,777.86	
		174,777.86
Maryland State Fair, Inc.:		
23 days racing at $6,000 per day	$138,000.00	
15 per cent of net revenue	50,665.95	
		188,665.95
Maryland Jockey Club of Baltimore City:		
23 days racing at $6,000 per day	$138,000.00	
Account of Baltimore County, $3,000 per day	69,000.00	
15 per cent of net revenue	45,286.70	
		252,286.70
Southern Maryland Agricultural Association:		
23 days racing at $6,000 per day	$138,000.00	
15 per cent of net revenue	49,314.74	
		187,314.74
License Fees, jockeys and trainers		1,528.00
Registration fees:		
Agents	$54.00	
Assumed names	150.00	
Colors	273.00	
Partnerships	1.00	
		478.00
Interest on money on deposit		3,999.60
Reserved from 1927 revenue for 1928 expenses		10,000.00
Total receipts		$821,300.85

STATEMENT OF MARYLAND RACING COMMISSION
(For Year 1928)

DISBURSEMENTS

Commissioners' salary		$10,000.00
Office salaries		5,160.00
Salaries and expenses of Commission's employes for county fairs		1,637.99
Premiums on Chairman's and Commissioners' bonds		1,500.00
Automobile and train hire		1,743.74
Travel and miscellaneous expense for Commission and employes		846.10
Office Expense (miscellaneous)		382.16
Office supplies		77.17
Office furniture and fixtures		7.65
Telephone		84.30
Rent of offices		1,950.00
Paid to County Treasurers		2,200.00
Refund to County Fair, for day on which no racing was conducted on account of rain		50.00
Paid to Treasurer of Baltimore County:		
June 29, 1928	$33,000.00	
December 29, 1928	36,000.00	
		69,000.00
Paid to Treasurer of State:		
June 29, 1928	$192,790.01	
December 29, 1928	523,871.73	
		716,661.74
Reserved from 1928 income for 1929 expenses		10,000.00
Total disbursements		$821,300.85

HARFORD AGRICULTURAL AND BREEDERS' ASSN., INC.

Statement of Income and Profit and Loss for Year Ended October 31, 1928

REVENUE

Admissions:			
General		$232,764.00	
Club house		24,815.00	
Boxes		2,822.00	
Membership dues		2,300.00	
Pari-mutuels:			
Commissions		590,865.50	
Breakage		97,843.60	
Programs—net		11,131.89	
Concessions		14,200.00	
Interest on liberty loan bonds		8,847.08	
Leads to post		10.00	
Total			$985,599.07

EXPENSES

State license, 23 days at $6,000.00 per day		$138,000.00	
Stakes and purses		307,000.00	
Awards to breeders		2,250.00	
Pari-mutuel expenses:			
Salaries and wages paid		106,167.88	
Stationery and printing		16,611.11	
Cash shortage		913.84	
Miscellaneous		690.00	
Salaries and wages paid to racing officials and employes		29,499.00	
Salaries paid to regular track employes		14,000.00	
Salary of stock transfer clerk		500.00	
Officers' salaries, directors' compensation, legal fees, etc.:			
M. H. Fahey:			
Salary as president	$2,500.00		
Legal fee	500.00		
Compensation as director	500.00		
Edward Burke:			
Salary as treasurer	17,500.00		
Compensation as director	500.00		
John J. Mahon, adviser	5,000.00		
Forward	$26,500.00	$615,631.83	$985,599.07

Forward	$26,500.00	$615,631.83	$985,599.07
Richard R. Rogers:			
Legal fee	2,000.00		
Compensation as director	500.00		
William H. Reid, director	500.00		
E. F. Simms, director	500.00		
Thomas C. McDowell, director	500.00		
William Kennedy, director	500.00		
Total		31,000.00	
Wages paid to temporary track employes		12,753.45	
Repairs and maintenance		17,892.51	
Tools and supplies		2,055.55	
Stationery, printing and postage		4,978.94	
Music and announcing		1,556.64	
Services of Pinkerton National Detective Agency		14,063.93	
Heat, light and water		2,193.12	
Advertising and publicity service		17,019.29	
Ambulance and hospital service		460.00	
Team hire		2,555.50	
Telephone and telegraph		943.14	
Professional services other than legal		1,418.69	
Insurance premiums—net		11,922.99	
Taxes paid, other than federal tax on income		10,281.51	
Rents paid		250.00	
Donations:			
Abram G. Ensor, Treasurer, Bel Air Fair	$2,500.00		
Havre de Grace Hospital	1,000.00		
Total		3,500.00	
Miscellaneous		2,384.17	
Total			752,861.26
Net Income for the Year			$232,737.81

Forward		$232,737.81

PROFIT AND LOSS CREDITS

Pari-mutuel tickets outstanding applicable to meetings of the years 1925 and 1924, respectively, now credited to surplus	$9,009.05	
Proceeds from sale of kitchen equipment	80.00	
Refund of federal tax on income for the years ended December 31, 1924 and 1925	333.45	
Recovery of accounts due from horsemen previously written off	60.00	
Total		9,482.50
Gross Surplus for the Year		$242,220.31

PROFIT AND LOSS CHARGES

Federal tax on income for the preceding calendar year	$30,235.28	
Additional federal tax on income for the year ended December 31, 1926 (including interest)	1,626.45	
State of Maryland license fee or tax of 15 per cent of net taxable revenue for the preceding year ended October 31	48,264.60	
Provision for depreciation for the preceding calendar year, as provided by the association	37,567.22	
Dividends paid	190,000.00	
Portion of superintendent's salary applicable to year 1927	1,000.00	
Award to breeders applicable to the year 1925	50.00	
Worthless check written off	151.15	
Total		308,894.70
Deficit for the Year		$66,674.39

NOTE—No provision is included in the above statement for depreciation and Federal tax on income for the period from January 1 to October 31, 1928, or for license fee or tax of 15 per cent of net taxable revenue for the year ended October 31, 1928.

Statement Showing Computation of Total Net Revenue for the Year Ended October 31, 1928, Taxable by the Maryland Racing Commission

Deficit for the Year		$66,674.39
Less amounts which were deducted in determining deficit for the year but which are not allowed by the Commission in computing net taxable revenue:		
Federal tax on income for the year ended December 31, 1927	$30,235.28	
Additional Federal tax on income for the year ended December 31, 1926 (including interest), less refunds for the years ended December 31, 1924 and 1925	1,293.00	
State of Maryland license fee or tax of 15 per cent of net taxable revenue for the year ended October 31, 1927	48,264.60	
Provision for depreciation for the year ended December 31, 1927, as provided by the association	37,567.22	
Dividends paid	190,000.00	
Excess of officers' salaries, directors' compensation, and legal fees paid over amount allowed therefor by the Commission	1,000.00	
Donations	3,500.00	
Total		311,860.10
Net Revenue for the Year Ended October 31, 1928, Taxable by the Commission		$245,185.71

CERTIFICATE

We have made a general examination of the accounts of the Harford Agricultural and Breeders' Association, Incorporated, for the year ended October 31, 1928, and

WE HEREBY CERTIFY that, in our opinion, the above statement showing computation of the total net revenue for the year ended October 31, 1928, taxable by the Maryland Racing Commission, is correct.

(Signed) HASKINS & SELLS.

Baltimore, December 6, 1928.

NOTE—$26,313.25 was expended in new improvements for the year and charged to the Building Fund and not deducted as an item of expense in arriving at the net revenue upon which the State Tax of 15 per cent is calculated.

MARYLAND STATE FAIR, INCORPORATED

Statement of Income and Profit and Loss for Year Ended October 31, 1928

REVENUE

Admissions:		
General	$235,863.00	
Club house	22,295.00	
Paddock exchange	6,067.50	
Boxes	4,450.00	
Membership dues	13,550.00	
Pari-mutuels:		
Commissions	654,415.85	
Breakage	103,751.95	
Programs—net	15,291.30	
Concessions	13,800.00	
Interest:		
Notes receivable	25,349.31	
Bank balances	648.67	
Rentals	370.00	
Leads to post	10.00	
Total		$1,095,862.58

EXPENSES

State license, 23 days at $6,000 per day		$138,000.00	
Stakes and purses		315,300.00	
Awards to breeders		3,000.00	
Pari-mutuel expenses:			
Salaries and wages paid		91,858.00	
Stationery and printing		14,676.66	
Insurance on money		1,955.10	
Repairs and maintenance		1,129.98	
Cash shortage		73.22	
Miscellaneous		243.14	
Salaries and wages paid racing officials and employes		38,016.50	
Officers' salaries and directors' compensation:			
A. J. Cummings, President	$10,000.00		
M. J. Winn, Vice-President	5,000.00		
F. J. Brady, Treasurer	10,000.00		
James Butler, compensation as director	2,500.00		
Total		27,500.00	
Forward		$631,752.60	$1,095,862.58

Forward		$631,752.60	$1,095,862.58
Wages paid to regular track employes		15,043.90	
Office salaries		2,123.50	
Stationery and printing		2,566.02	
Music		2,415.00	
Services of Pinkerton National Detective Agency		2,000.00	
Water, heat and light		1,016.59	
Advertising and publicity service		8,575.50	
Ambulance service		276.00	
Automobile expenses		481.03	
Telephone and telegraph—net		230.84	
Carfare and traveling expenses, etc., of officers and employes		840.08	
Insurance premiums—net		7,687.11	
Taxes—other than Federal tax on income		19,777.14	
Donations:			
Father Myer	$2,000.00		
Howard County Health Assn.	250.00		
Total		2,250.00	
Professional accounting services		955.44	
Office rent and clerk hire, New York		3,000.00	
Repairs and maintenance of property		1,030.83	
Miscellaneous		2,398.47	
Total			704,420.05
Net Income for the Year			$391,442.53

Forward		$391,442.53

PROFIT AND LOSS CREDITS

Pari-mutuel tickets outstanding applicable to meetings of the years 1925 and 1924, respectively, now credited to surplus	$5,905.05	
Unclaimed awards to breeders applicable to the years 1925 and 1926, now credited to surplus	700.00	
Recovery of horsemen's accounts previously written off	80.00	
Adjustment of reserve for doubtful accounts to agree with aggregate of horsemen's accounts outstanding more than three years	100.00	
Total		6,785.05
Gross Surplus for the Period		$398,227.58

PROFIT AND LOSS CHARGES

Federal tax on income for the preceding calendar year	$19,583.81	
Additional Federal tax on income for the years 1923 and 1922, respectively (including interest)	2,813.09	
License fee or tax of 15 per cent of net taxable revenue for the preceding year ended October 31	37,364.07	
Provision for doubtful accounts receivable from horsemen, outstanding more than three years	145.00	
Provision for depreciation for the preceding calendar year (as computed by the company)	63,022.07	
Additional awards to breeders in excess of provision applicable to the years 1925 and 1927	150.00	
Loss on property retired from service	8,671.03	
Dividends paid	150,000.00	
Total		281,749.07
Surplus for the Year		$116,478.51

NOTE—The above statement does not include accrued interest on notes receivable, provision for depreciation of property, or Federal tax on income for the period from January 1 to October 31, 1928, license fee or tax of 15 per cent of net taxable revenue for the year ended October 31, 1928, or proposed additional assessments, aggregating $22,469.68, exclusive of interest, of Federal tax on income applicable to the years 1924 to 1926, inclusive.

Statement Showing Computation of Total Net Revenue for the Year Ended October 31, 1928, Taxable by the Maryland Racing Commission

Surplus for the Year		$116,478.51
Deduct excess of cost of new construction and equipment during the year, over amount available therefor in the current building fund (this excess is allowed as a deduction by the Commission in computing net taxable revenue)		62,409.60
Total		$54,068.91
Add amounts which were deducted in determining surplus for the year, but which are not allowed by the Commission in computing net taxable revenue:		
Federal tax on income for the year ended December 31, 1927	$19,583.81	
Additional assesment of Federal tax on income for the year 1923 (including interest)	2,813.09	
State of Maryland license fee or tax of 15 per cent of net taxable revenue for the year ended October 31, 1927	37,364.07	
Provision for depreciation for the year ended December 31, 1927	63,022.07	
Donations	2,250.00	
Dividends paid	150,000.00	
Loss on property retired from service	8,671.03	
Total		283,704.07
Total Net Revenue for the Year Ended October 31, 1928, Taxable by the Commission		$337,772.98

CERTIFICATE

We have made a general examination of the accounts of the Maryland State Fair, Incorporated, for the year ended October 31, 1928, and

WE HEREBY CERTIFY that, in our opinion, the above statement showing computation of total net revenue for the year ended October 31, 1928, taxable by the Maryland Racing Commission, is correct.

(Signed) HASKINS & SELLS.

Baltimore, December 15, 1928.

NOTE—$546,972.46 was expended in new improvements for the year. Of this amount $484,562.86 was in the Building Fund and was charged against it, and not deducted as an item of expense in arriving at the net revenue upon which the State Tax of 15 per cent is calculated.

MARYLAND JOCKEY OF BALTIMORE CITY

Statement of Income and Profit and Loss for Year Ended Nov. 30, 1928

REVENUE

Admissions:		
General	$334,881.45	
Club house	27,214.50	
Paddock	8,532.00	
Boxes	11,127.80	
Membership dues and initiation fees	31,040.00	
Parie-mutuels:		
Commissions	792,625.15	
Breakage	131,393.35	
Programs—net	18,105.10	
Concessions	1,830.00	
Profit from operation of restaurant and catering service—net	15,467.95	
Leads to post	20.00	
Interest received:		
Bank balances	3,772.28	
Loan	39.54	
Rentals	5,007.00	
Miscellaneous	560.50	
Total		$1,381,616.62

EXPENSES

State license, 23 days at $6,000 per day	$138,000.00	
Baltimore County license, 23 days racing at $3,000.00 per day	69,000.00	
Stakes and purses	430,700.00	
Awards to trainers of winning horses	10,500.00	
Awards to breeders of winning horses	3,050.00	
Pari-mutuel expenses:		
Salaries and wages paid	117,813.04	
Stationery and printing	24,091.26	
Cash over and short	784.42	
Salaries and wages paid to racing officials and employes	72,121.09	
Forward	$866,059.81	$1,381,616.62

Forward		$866,059.81	$1,381,616.62
Officers' salaries, directors' compensation and legal fees:			
C. E. McLane:			
Salary as president	$7,500.00		
Compensation as director	500.97		
R. J. Walden:			
Salary as vice-president	4,000.00		
Compensation as director	460.97		
C. I. Reynolds:			
Salary as treasurer	10,000.00		
Compensation as director	352.22		
M. L. Daiger:			
Salary as secretary	2,500.00		
Salary as general manager	7,500.00		
Compensation as director	500.97		
F. G. Riggs:			
Salary as honorary sec'y	1,500.00		
Compensation as director	440.97		
F. J. Bryan, director	172.22		
W. B. Oliver, director	172.22		
A. H. Morris, director	118.75		
Ral Parr, director	118.75		
D. S. Gittings, director	240.98		
Cary T. Grayson, director	240.98		
Isaac Lobe Straus, legal fees	5,000.00		
Total		41,320.00	
Special legal services in the matter of closing Avondale Avenue		250.00	
Wages paid to regular track employes		21,564.47	
Office salaries		5,622.50	
Repairs and maintenance		33,739.75	
Rent of track property, including amortization of lease renewal		28,100.00	
Stationery and printing		8,106.20	
Music		653.83	
Detective services		1,840.00	
Water, heat and light		3,017.94	
Advertising and publicity service		11,448.15	
Ambulance service		345.00	
Auto hire		1,163.00	
Telephone and telegraph		563.39	
Insurance premiums paid—net		44,510.20	
Taxes paid, other than Federal tax on income		19,763.87	
Professional auditing, appraisal and tax accounting services and expenses		2,012.65	
Rent of office		2,232.00	
Tools and supplies		718.88	
Interest paid		340.51	
Miscellaneous		9,170.17	
Total			1,102,542.32
Net Income for Year			$279,074.30

Forward		$279,074.30

PROFIT AND LOSS CREDITS

Pari-mutuel tickets ontstanding applicable to the meetings of the years 1925 and 1924, respectively, now credited to surplus	$10,868.70	
Refund of Federal tax on income for the years ended November 30, 1926 and 1925, respectively, including interest	74.68	
Interests on refunds of Federal tax on income for the years ended November 30, 1917 and 1918	293.33	
Outstanding checks for payment of pari-mutuel tickets returned to cash	107.85	
Unclaimed account payable credited to surplus	200.00	
Total		11,544.56
Gross Surplus for the Year		$290,618.86

PROFIT AND LOSS CHARGES

Federal tax on income for the preceding year ended November 30	$21,983.26	
State of Maryland license fee or tax of 15 per cent of net taxable revenue for the preceding year ended November 30	41,928.42	
Provision for amortization of improvements to leased property	28,278.61	
Dividends paid; out of current earnings	129,578.44	
Professional services in connection with refunds of Federal tax on income for the years ended November 30, 1917 and 1918	146.67	
Total		221,915.40
Surplus for the Year		$68,703.46

NOTE—No provision is included in the above statement for Federal tax on income and license fee or tax of 15 per cent of net taxable revenue for the year ended November 30, 1928, or for depreciation of buildings and miscellaneous property.

Statement Showing Computation of Total Net Revenue for the Year Ended November 30, 1928, Taxable by the Maryland Racing Commission

Surplus for the Year			$68,703.46
Amounts which were deducted in determining surplus for the year, but which are not allowed by the Commission in computing net taxable revenue:			
Federal income tax:			
For the year ended November 30, 1927	$21,983.26		
Less refund, including interest, applicable to the year ended November 30, 1926	74.68	$21,908.58	
State of Maryland license fee or tax of 15 per cent of net taxable revenue for the year ended November 30, 1927		41,928.42	
Provision for amortization of improvements to leased property for the year ended November 30, 1928		28,278.61	
Dividends paid		129,578.44	
Excess of officers' salaries, directors' compensation and legal fees paid over amount allowed		11,320.00	
Interest on loans		340.51	
Total			233,354.56
Gross Taxable Revenue for the Year			$302,058.02
Amounts which were considered in determining surplus for the year, but which are applicable to the period prior to the organization of the Commission:			
Interest received on refunds of Federal tax on income for the years ended November 30, 1917 and 1918		$293.33	
Less professional services in connection therewith		146.67	146.66
Remainder—Net Revenue for the Year Ended November 30, 1928, Taxable by the Commission			$301,911.26

CERTIFICATE

We have made a general examination of the accounts of the Maryland Jockey Club of Baltimore City for the year ended November 30, 1928, and

WE HEREBY CERTIFY that, in our opinion, the above statement showing computation of total net revenue for the year ended November 30, 1928, taxable by the Maryland Commission, is correct.

(Signed) HASKINS & SELLS.

Baltimore, December 22, 1928.

NOTE—$76,098.03 was expended in new improvements for the year and charged to the Building Fund and not deducted as an item of expense in arriving at the net revenue upon which the State Tax of 15 per cent is calculated.

SOUTHERN MARYLAND AGRICULTURAL ASSOCIATION

Statement of Income and Profit and Loss for Year Ended December 6, 1928

REVENUE

Admissions:		
General		$212,754.00
Club house—net		15,255.48
Paddock		6,518.00
Boxes		6,836.50
Pari-mutuels:		
Commissions		696,101.75
Breakage		113,537.60
Programs—net		12,053.22
Concessions		9,933.25
Interest on bank balances		1,165.41
Lead to post		10.00
Total		$1,074,165.21

EXPENSES

State license, 23 days at $6,000 per day			$138,000.00
Stakes and purses			274,100.00
Awards to breeders			1,800.00
Pari-mutuel expenses:			
Salaries and wages			109,897.35
Stationery and printing			20,924.26
Insurance on money			778.44
Cash, "over and short"			618.09
Miscellaneous			907.04
Salaries and wages paid to racing officials and employes			46,106.40
Officers' salaries and legal fees:			
M. H. Magruder, President:			
Salary	$9,000.00		
Legal fee	750.00		
Wm. G. Brooke, Secretary:			
Salary	2,500.00		
John Farrell, Jr., Treasurer:			
Salary	12,300.00		
Jas. F. O'Hara, General Manager:			
Salary	12,300.00		
Harley, Whetle & Webster:			
Legal fee	500.00		
John W. Farrell:			
Legal fee	75.00		
Total		37,425.00	
Forward		$630,556.58	$1,074,165.21

Forward		$630,556.58	$1,074,165.21
Wages paid to regular track employes		28,064.00	
Repairs and maintenance		31,117.53	
Office salaries		4,736.00	
Stationery and printing		3,965.86	
Music and announcing		606.25	
Detective services		15,828.90	
Light, heat, etc.		2,334.76	
Advertising and publicity service		8,701.67	
Telephone and telegraph		941.64	
Insurance premiums paid		7,673.18	
Taxes paid, other than Federal tax on income		9,526.73	
Professional accounting services		1,183.00	
Rent of offices		1,662.00	
Interest paid:			
On funds borrowed to finance new construction		2,078.15	
On funds borrowed for bank roll		979.33	
Donations:			
Police fund	$25.00		
Maryland Tuberculosis Association, Inc.	10.00		
Father M. Hogan	1,000.00		
St. Vincent's Orphan Asylum	500.00		
Total		1,535.00	
Freight and expressage		139.47	
Miscellaneous		8,221.97	
Total			759,852.92
Net Income for the Year			$314,312.29

Forward		$314,312.29

PROFIT AND LOSS CREDITS

Pari-mutuel tickets outstanding applicable to meetings of the years 1925 and 1924, respectively, now credited to surplus	$4,152.30	
Recovery of checks previously written off	1,302.00	
Old outstanding checks returned to cash	126.00	
Total		5,580.30
Gross Surplus for the Year		$319,892.59

PROFIT AND LOSS CHARGES

Federal tax on income for the preceding calendar year	$8,041.76	
State of Maryland license fee or tax of 15 per cent of net taxable revenue for the preceding year ended December 6	32,874.86	
Provision for depreciation for the preceding calendar year (as provided by the Association)	17,383.30	
Loss on property retired from service	2,860.24	
Worthless checks written off	732.00	
Accounts receivable outstanding more than three years, written off	335.00	
Dividends paid	121,060.00	
Total		183,287.16
Surplus for the Year		$136,605.43

NOTE—No provision is included in the above statement for depreciation and Federal tax on income for the period from January 1 to December 6, 1928, or for license fee or tax of 15 per cent of net taxable revenue for the year ended December 6, 1928.

Statement Showing Computation of Total Net Revenue for the Year Ended December 6, 1928, Taxable by the Maryland Racing Commission

Surplus for the Year		$136,605.43
Amounts which were deducted in determining surplus for the year, but which are not allowed by the Commission in computing net taxable revenue:		
Federal tax on income for the year ended December 31, 1927	$8,041.76	
State of Maryland license fee or tax of 15 per cent of net taxable revenue for the year ended December 6, 1927	32,874.86	
Provision for depreciation for the year ended December 31, 1927	17,383.30	
Loss on property retired from service	2,860.24	
Dividends paid	121,060.00	
Excess of officers' salaries and legal fees paid over amount allowed therefor by the Commission	7,425.00	
Donations	1,535.00	
Interest on funds borrowed for bank roll	979.33	
Total		192,159.49
Total Net Revenue for the Year Ended December 6, 1928, Taxable by the Commission		$328,764.92

CERTIFICATE

We have made a general examination of the accounts of the Southern Maryland Agricultural Association for the year ended December 6, 1928, and

WE HEREBY CERTIFY that, in our opinion, the above statement showing computation of total net revenue for the year ended December 6, 1928, taxable by the Maryland Racing Commission, is correct.

(Signed) HASKINS & SELLS.

Baltimore, December 27, 1928.

NOTE—$35,186.50 was expended in new improvements for the year and charged to the Building Fund and not deducted as an item of expense in arriving at the net revenue upon which the State Tax of 15 per cent is calculated.

DO NOT CIRCULATE

Mary
SF
335
.U6M
1928

Maryland
SF
335
.U6M3
1928

DO NOT CIRCULATE